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C O N F I D E N T I A L SECTION 01 OF 02 ABU DHABI 000711

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E.O. 12958: DECL: 02/15/2015
TAGS: [ETRD](#) [ECON](#) [TC](#)
SUBJECT: EMIRATI PREPARATIONS FOR FTA TALKS CONTINUE

REF: ABU DHABI 600

Classified By: Ambassador Michele J. Sison for reasons 1.4 (b and d)

¶1. (C) Summary: In meetings over the past several days, we have gained more of a sense of how the UAEG is preparing for its upcoming FTA talks with the U.S. In addition to the formal addition of MinEcon Sheikha Lubna Al-Qasimi as a co-chair of the negotiating committee (reftel), it appears that Minister of Information Sheikh Abdullah bin Zayed Al-Nahyan is playing an active role in the UAE's preparations, as is Minister of Labor Al-Ka'abi. The UAE continues to have concerns about reconciling national security concerns with meeting ILO standards on rights of association and collective bargaining. The Ministry of Economy is following-up on secondary and tertiary boycott cases with a goal of reducing them to zero. The UAEG also approached the Australians for information on negotiating with the USG and to express interest in negotiating an FTA with Australia. The UAE press is increasingly discussing the upcoming negotiations. End Summary.

Labor

¶2. (C) On February 13, Ambassador talked with Minister of Information, Sheikh Abdullah bin Zayed (ABZ) about his recent visit to Washington. ABZ said that he had had excellent meetings with USTR Ambassador Zoellick and with members of Congress. He explained that House Foreign Relations Committee Chairman Hyde had committed to sending a letter to his colleagues urging support for an FTA. Ambassador asked ABZ how his discussions on the labor chapter of the FTA had

gone, noting our serious concerns about weaknesses in the current UAE labor law. She noted that we understood that the proposed draft law would permit labor unions and urged ABZ to have the UAEG work closely with the International Labor Organization to ensure that its revised labor law (and possible new labor union law) were ILO compliant. ABZ replied that he had explained, to his U.S. interlocutors, UAE national security concerns about allowing expatriate workers unrestricted union rights. He noted that, if it were just a question of allowing UAE citizens to establish and to join unions, there would be no problem. ABZ said that he, MinState for Finance Khirbash, Minister of Economy and Planning Sheikha Lubna Al-Qasimi, and Minister of Labor Al-Ka'abi would need to "sit down," upon Al-Ka'abi's return, and discuss the revised labor law and its relationship with the FTA process. An ILO-compliant solution could be found, he predicted. (Note: Al-Ka'abi and his senior staff are outside the UAE. We will be following-up with the ministry upon their return to again urge that they work closely with the ILO.)

UAE interagency working on preparations

13. (C) On February 13, EconChief met with MinFin A/US Khalid Al-Bustani to discuss ongoing preparations for the FTA. Al-Bustani stated that the February 7 cabinet decree setting up a negotiating committee was helping to facilitate the UAEG's preparations. For example, he explained, the Minister of Finance could now officially agree to treat the negotiating texts as confidential. He emphasized that the UAEG had already been working to prepare for the negotiations and its negotiators were reviewing U.S. FTA's with Bahrain and other countries. He explained that the Ministry of Finance had set up a web site to facilitate the access to information for UAEG negotiators. This site included either copies of FTA texts or links to them. Al-Bustani emphasized that "his colleagues" in the UAEG were putting him under "heavy pressure" to produce the actual U.S.-UAE draft text. He explained that other agency officials were complaining that they were not able to review this draft text, but were forced to rely on U.S. agreements with other countries. EconChief stressed that these published FTAs would give the UAE a good idea of what to look for and urged Al-Bustani to contact USTR and the Embassy if the UAEG needed clarification on any point in the texts or any additional information. In a February 14 meeting, MinEcon A/US Abdullah Saleh told EconChief that the UAE was holding negotiating committee meetings and would be holding one on February 15 to prepare for the negotiations.

Arab League Boycott - Process is Working

14. (C) EconChief told Saleh that, subsequent to the Ministry of Economy's actions, the number of boycott related cases had declined, but that the Department of Commerce had still received 11 boycott cases over the last quarter and we wanted to work with the Ministry to continue to resolve this issue. Saleh took the list of offending companies and instructed his staff (in Arabic) to "get the names" of the people in charge of the companies and their contact details and to follow-up. He turned to EconChief and said, in English, "we will get to zero." We will be reviewing these issues next week with Economy Minister Lubna Al-Qasimi.

UAE - Australian FTA

15. (C) Ambassador and EconChief also met with the Australian Ambassador and two officials from the Department of Foreign Affairs and Trade (Stephen Deady, the First Assistant Secretary for Trade Development and Paul Foley, the Assistant

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Secretary, Middle East and Africa) to discuss Australian -

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UAE contacts on free trade. They explained that the UAE had expressed interest in negotiating an FTA with Australia, but had also wanted to "pick their brains" about negotiating an FTA with the U.S. According to Deady, based on UAEG questions, it appeared as if they had been preparing for their upcoming negotiations. He described the questions as thoughtful and "informed." Deady also said that their questions gave him the opportunity to emphasize that Australia would also be looking for a similarly "high quality" FTA.

Media Attention

16. (U) There is increasing media interest in the UAE in the upcoming FTA negotiations. More and more articles are appearing in the local press and reporters are beginning to contact our public affairs section for background information and remarks on the upcoming negotiations. In addition, we are seeing an increasing debate in the UAE media over the merits of free trade. In a February 13 meeting MFA U/S Abdullah Rashid Al-Noaimi told visiting NEA/ARPI Office Director and DCM that the UAE media had already started debating the FTA. He welcomed this debate and emphasized that the UAEG welcomed hearing opposing views (from, for example, former Minister of Communication Ahmed Humaid Al-Tayer). He specifically referred to the AFL/CIO's testimony at the USTR public hearing and said that the UAEG wanted to hear their position.

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